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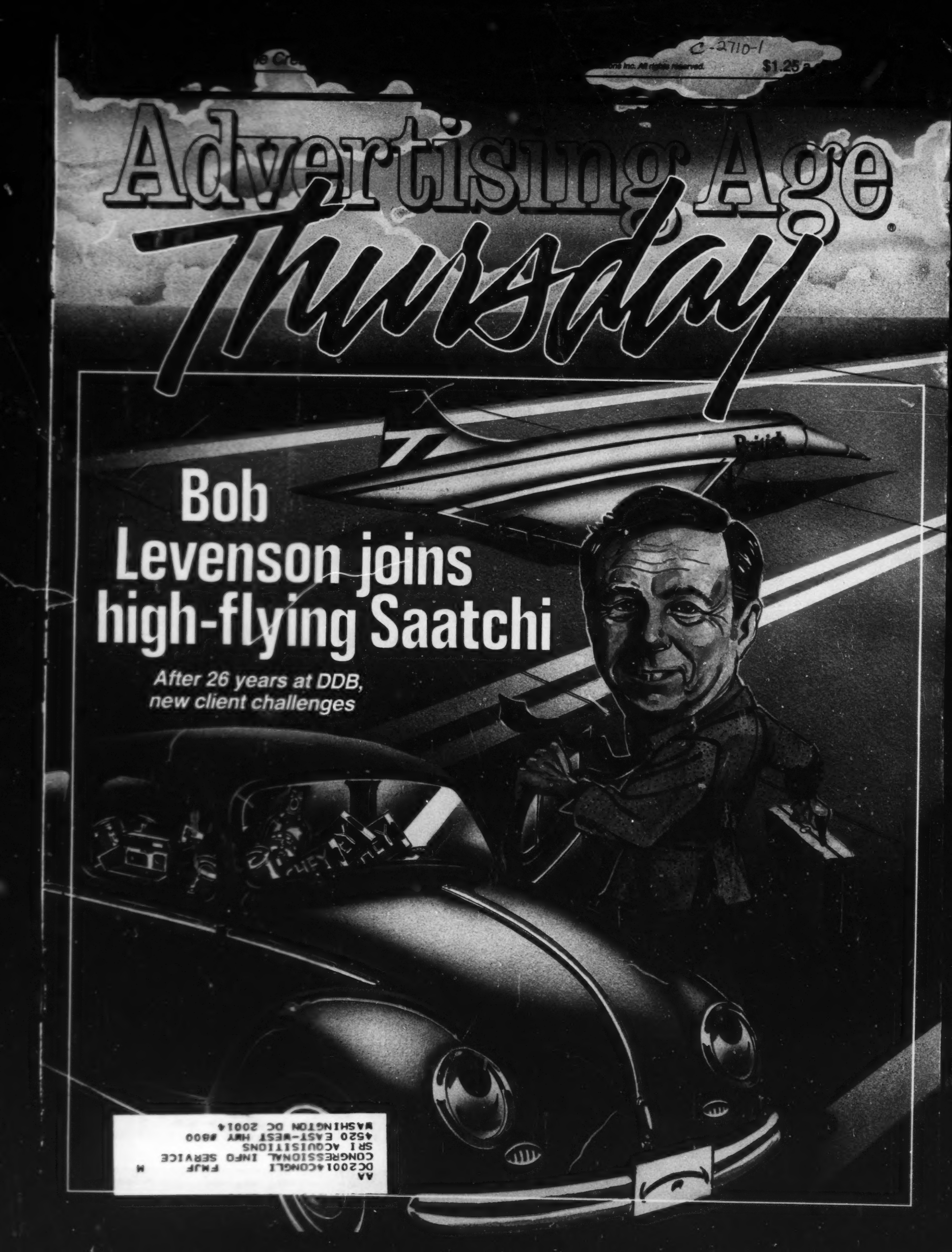
Advertising Age

Tuesday

Bob Levenson joins high-flying Saatchi

After 26 years at DDB, new client challenges



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In the news

Defending themselves

Grunts and groans at Campbell-Mithun, Chicago, aren't coming from overworked artists or noontime aerobics instruction. They come from women employes taking self-defense classes from veteran copywriter Mike Vassolo. *See Page 4.*

Illustration by Steve Boswick

A big move

No recent ad agency job change has been as highly charged symbolically as Robert Levenson's move this month to Saatchi & Saatchi Compton, New York. After 26 years, Mr. Levenson left Doyle Dane Bernbach International, where he not only was one of the agency's great copywriters, but also the creative executive most identified with the late William Bernbach. *See Page 5.*

Bless you, Saatchis

Saatchi & Saatchi Compton is turning its Detroit account-service outpost into a full-service agency to coincide with client Jeep Corp.'s fall launch of Comanche, a pivotal effort to enter the two-wheel-drive pickup market. *See Page 11.*

Advertising that's kosher

Adman J.J. Gross is a black sheep turned shepherd. With his knowledge of the New York Orthodox Jewish community, having been a rabbinical student, plus fluency in Yiddish and Hebrew, he handles some tricky accounts. *See Page 52.*

Special Report

The affluent market

Appealing to the affluent takes special positioning and careful references to status, emotion and other abstract qualities. Tactics marketers use are studied in the Special Report on Marketing to the Affluent, starting on *Page 15.*

Murdoch move sets stage for fourth network

By Verne Gay

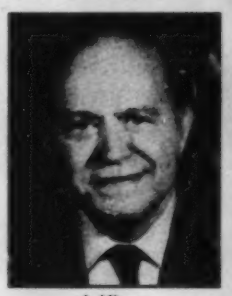
NEW YORK—Rupert Murdoch did not simply sneak into the tv business; he pounced.

The Australian publisher and his partner, oilman Marvin Davis, with their $2 billion acquisition of Metromedia's tv stations became—overnight—the biggest group broadcasters this side of the network-owned station groups.

That is no small feat in itself, but its consequences are enormous. There was immediate talk that Mr. Murdoch would seek the longtime dream of Metromedia: The formulation of a viable fourth tv network. There were insurmountable stumbling blocks for Metromedia in that quest, and those same problems no doubt will beset Messrs. Murdoch and Davis. But owning the Metromedia station group and being able to forge a synergy with other entertainment properties such as 20th Century Fox, gives the newcomers leverage that most in the tv business will never acquire.

R. Murdoch

There will be no first-run syndication scheme that won't have to clear Mr. Murdoch's forces to have a fighting chance to succeed. If knowledge be power, Mr. Murdoch will be a very powerful tv force indeed. And the station group, with its nearly 20% U.S. tv household clearances in six major markets, will provide the financial underpinnings for any original tv project Mr. Murdoch believes has a chance to attract and hold a mass audience.



J. Kluge

If his record in newspaper publishing has proven nothing else, it has shown Mr. Murdoch is a master at understanding and exploiting all those things that appeal to the masses. Some observers fret that Mr. Murdoch will treat tv as he treated the print media. But there is something those observers have overlooked. In newspapers, Mr. Murdoch was hit by critics from the medium who felt the Australian was downgrading a proud and noble forum for information.

At the *New York Post*, the story goes, upscale retailers balked at his pitches for advertising.

Bloomingdale's allegedly told one of his executives, "Your readers are our shoplifters." Now, with his tv clout and reach, Mr. Murdoch can tell Bloomingdale's, "Your shoppers are our video pirates."

Mr. Murdoch appears to be gravitating toward the realization that tv, not publishing, is his true home. Tv is purely the selling of tonnage. People are rewarded for delivering high audience numbers, and even someone as noble as NBC's entertainment president Brandon Tartikoff, who stuck by "Hill Street Blues" and "Cheers" and "St. Elsewhere's," will admit that it was the "A-Team" that started to turn things around for the network.

R. Bennett

Mr. Murdoch understands such things without remorse. He can be expected to excel in tv as an idea man, and the leverage in the industry that he purchased for that $2 billion merely insures that he will have the power to execute that instinct for mass appeal which he has so finely honed in print.

Mr. Murdoch's interest in tv was demonstrated by Skyband, a U.S. direct broadcast tv venture now on hold. But now he's apparently become convinced regular broadcast is the way to go.

There can be little doubt of Mr. Murdoch's determination. He will seek U.S. citizenship to comply with U.S. policy barring foreign control of tv and radio stations (AA, May 6), a step likely to complicate his status as owner of Australian tv interests. *(See related story on Page 55.)* And by seizing the chance to acquire tv stations in New York and Chicago, he runs the risk—a high risk, say many—of being forced by the U.S. government to sell or close his flagship U.S. newspapers—the *Post* and the *Chicago Sun-Times*. Federal Communications Commission policy aimed at insuring local media diversity bars common ownership of tv stations and newspapers in the same market.

Already, Murdoch bankers have been directed to find a buyer for another of his print properties, New York's *Village Voice*.

Another Murdoch paper, the *Boston Herald*, is safe from a government-ordered sale. The seventh Metromedia station in the deal, Boston's WCVB-TV, will be sold by Messrs. Murdoch and Davis for $450 million to Hearst Corp., from whom Mr. Murdoch acquired the *Herald*.

(The newspaper-tv combinations of a major Murdoch competitor, Chicago-based Tribune Co. [the *New York Daily News* and WPIX-TV, and the *Chicago Tribune* and WGN-TV], predate the cross-ownership ban and are allowed to operate under a "grandfather" clause).

Murdoch has yet to announce his intention to build a fourth network to rival NBC, CBS and ABC, but many believe he has the compo-

(Continued on Page 55)

Presstime

Nadler to absorb LCF&S

NEW YORK—Nadler & Larimer reportedly will absorb LCF&S, another Mickelberry Corp. agency, and rename the agency to reflect the new management. Thus, it is expected to be called Calvillo, Goldberg & Shevack for Nadler president Rick Calvillo, exec vp Irwin Goldberg and LCF&S president Brett Shevack. LCF&S had functioned as a unit of Mickelberry's Laurence, Charles & Free agency.

Christian Dior tags Chiat

NEW YORK—Christian Dior has named Chiat/Day to its $3 million account (AA, April 15). Chiat/Day reportedly has the option to continue working with photographer Richard Avedon, who is responsible for the current Dior campaign. Chiat/Day did not present specific creative ideas; sources said agency chairman Jay Chiat was "impressed with the previous 'Three Diors' campaign," also by Mr. Avedon. Sources said the next campaign will likely be more like "Three Diors" than the current product campaign. J. Walter Thompson USA previously handled.

Kliger suits 'GQ'

NEW YORK—*Gentlemen's Quarterly* will name Jack Kliger as its publisher, effective later this month. Mr. Kliger is associate publisher at *California*, Beverly Hills, and a former *GQ* West Coast advertising manager. At *GQ*, he will succeed Steven Florio, who is now exec vp at The New Yorker Magazine Inc., and publisher, *The New Yorker*, new posts created following shareholders' approval May 7 of the company's acquisition by Advance Publications (AA, May 6).

Seafood gets $12 million

CAMDEN, N.J.—Campbell Soup Co.'s Mrs. Paul's Kitchens has set an ad budget between $10 million and $12 million for the rollout of Seafood En-Croute, a five-product line of frozen fish-in-pastry entrees. The line has been testing for four months in Albany, Atlanta and New York and may roll national within nine months, a spokesman said. Needham Harper Worldwide, Chicago, handles. The company also has begun testing a five-item line of individually quick-frozen raw fish fillets in Chicago, Dallas and Detroit.

Haagen-Dazs into sorbet

MINNEAPOLIS—Pillsbury Co.'s Haagen-Dazs unit next month introduces nationally Sorbet & Cream, creating a new dessert category combining ice cream and sorbet products. McCann-Erickson, New York, handles.

Le San*wich ads move up

DEERFIELD, ILL.—Kitchens of Sara Lee on May 27 breaks tv spots for its Le San*wich line of filled croissants (AA, Jan. 21). A freestanding coupon insert supports on June 9. Sara Lee says it has moved up the campaign from its originally planned July kickoff because of high retailer interest. Foote, Cone & Belding, Chicago, handles.

Nissan account splits

LOS ANGELES—Nissan Datsun Dealers Assn. of Southern California has split its $5 million ac-

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Auto makers use soft sell to move soft ride

By Ralph Gray

In the battle for dollars from the affluent, luxury cars compete against condominiums, boats, vacations and other expressions of the wealthy life style. Despite the competition, the sell is as soft and elegant as some of the vehicles, with the genteel tone of the marketing masking a brawl for sales and share.

Ralph Gray is a longtime automotive expert, a former Advertising Age Detroit bureau chief and currently a relaxed free lance writer.

Some mass media advertising is used, but the emphasis is on a sharpshooter target marketing. Cadillac is the volume leader in hitting the small bull's-eye, yet it accounts for only 2.9% of total U.S. sales. Import luxury cars account for less than 1% of all U.S. car sales.

The buyers of luxury cars are well past the need for just a set of wheels. "Nobody needs to buy a Porsche," says John Cook, president-chief executive officer of Porsche Cars North America, Reno, Nev.

While *need* may not be the motivating factor behind a purchase, luxury auto marketers are working hard to convince consumers they *want* a certain model. The marketing shots are being fired from both sides of the Atlantic. Ford Motor Co.'s battle tactics include bringing over cars made by its European affiliates.

General Motors' Cadillac division, Detroit, will offer about a $50,000 convertible in the fall of 1986 that will have a distinct European influence. The convertible's body (termed coachwork at those prices) comes from Pinifarina of Italy and will be mated to Cadillac underpinnings.

Cadillac named the car Allante, thinking the word sounded like a nice combination of sporty and elegant.

"Allante is targeted at the European imports, but we are not looking for high volume," says John Grettenberger, general manager of Cadillac and a General Motors vp.

"Allante is not designed to move Cadillac's market share as a result of its presence," Mr. Grettenberger says. "The idea is to bring European craftsmanship from the body-builder side to the high-tech world of the new Detroit plant."

In another move to compete against the power of imports, Cadillac installed a V-6 engine in the Cimarron subcompact, which was designed to appeal to BMW buyers. But until the new engine was installed, the Cimarron was underpowered against that rival.

> **"We have a wave of the affluent—not only yuppies, but people who represent gold plate."**
>
> *—Hans Riedel*
> *BMW*

"That package equals some of the high-price imports, like BMW, that we wanted to compete with," Mr. Grettenberger says.

Cadillac's conquest rate for Cimarron and the Seville, the highest price Cadillac, is rising from 2% to about 9% in some parts of the nation, he says. A conquest is when a Cadillac buyer turns in a competitor's car in trade.

While BMW is considered by some to be the ultimate yuppiemobile, BMW says it isn't limited to those buyers. "We have a wave of the affluent—not only yuppies, but people who represent gold plate," says Hans Riedel, vp-marketing BMW of North America, Montvale, N.J.

BMW raised its sights on a bigger potential market by offering larger, more powerful cars in its 600 and 700 series. Sales in February ran 25% ahead of the year-earlier period. Many of those sales came from the top of the line.

Ford's Lincoln-Mercury division, Detroit, has found its Lincoln customers, in general, are "people who reward and indulge themselves and who want to be seen having youthful, contemporary and responsible values," says Mary Ann Roberts, L-M media coordinator.

Lincoln recorded sales of 82,035 for the first half of the 1985 model year, up 36% from the previous year, and Ms. Roberts knows who bought what.

Buyers of the Continental, an intermediate luxury car, have annual incomes of about $50,000 and are about 50 years old. The Mark VII aerodynamic coupes attract buyers 15 years younger than the Continental's buyers. The Mark VII buyers have about the same earnings. About 60% of Lincoln buyers are male.

To reach these buyers, Lincoln uses a personalized direct mail program, Ms. Roberts says. For the past three years, Lincoln has sent 500,000 direct mail

(Continued on Page 22)

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Soft

(Continued from Page 20)

pieces to domestic and import luxury car owners.

"The response has been tremendous. Upwards of 17% have bought Lincolns," Ms. Roberts says. "That's three times the buy rate of a control group which did not receive mailings."

The direct mail campaign, prepared by Young & Rubicam, Detroit, seeks to address specifics such as that in followup mailings. "We suggest you question the myth of European supremacy in automotive engineering," one brochure is titled. Other brochures address quality and warranties, luxury touches and technology. By the third mailing in the series, the prospects are getting information on specific cars.

Lincoln sales are up and so is market share for the early months of 1935, rising to 1.6% from 1.2% for the similar period in 1984. "Lincolns have shown the greatest gains in the luxury segment over the past two years. The Mark VII has retained the two-door business, and the Continental is setting new records in the midsize luxury market," says L. Ray Windecker, market analyst with Ford.

"The Town Car serves the traditional Lincoln market so all the bases are covered," he says.

That kind of closely disciplined target marketing is typical of the way luxury car marketers slot their efforts.

"Media for luxury cars is often regionally based. We want to place media in the pockets of affluence," Ms. Roberts says. That includes financial, life style and some automotive enthusiast publications.

Lincoln's biggest departure from traditional car advertising is its tie to classical music through the Lincoln's Music in America radio series. The weekly program, distributed by the Concert Music Network, New York, previews coming music events ranging from opera to symphonies and the opening of new concert halls.

Auto advertising on Concert Music Network, a subsidiary of Concert Music Broadcast Sales, has increased along with the prices of new cars, says Peter Besheer, exec vp, Concert Music Broadcast Sales, New York.

"We're seeing a greater volume of spot advertising on classical stations. We are more valuable to them as a format than 10 years ago," Mr. Besheer says.

"Media for luxury cars is often regionally based. We want to place media in the pockets of affluence."

—Mary Ann Roberts Lincoln-Mercury

The demographics of classical music listeners are especially favorable to luxury cars marketers, he says. Compared with the average radio listener, classical listeners are 50% more likely to have bought a car in the past year, Mr. Besheer says. They are more than twice as likely to own an imported car and four times as likely to have bought a BMW or Porsche than other listeners. Income levels are generally more than $50,000, and most classical radio listeners are college graduates.

Mr. Besheer says the yuppies "are just a new word for the segment that has always been there."

In addition to classical radio stations, luxury car marketers use sports to strike a chord with affluent consumers. Lincoln-Mercury uses network tv golf coverage. Other marketers get directly involved.

"Our whole sports involvement is driven by research. We've identified the sports our people participate in," says Robert Owens, general marketing manager of Mercedes-Benz of North America, Montvale, N.J.

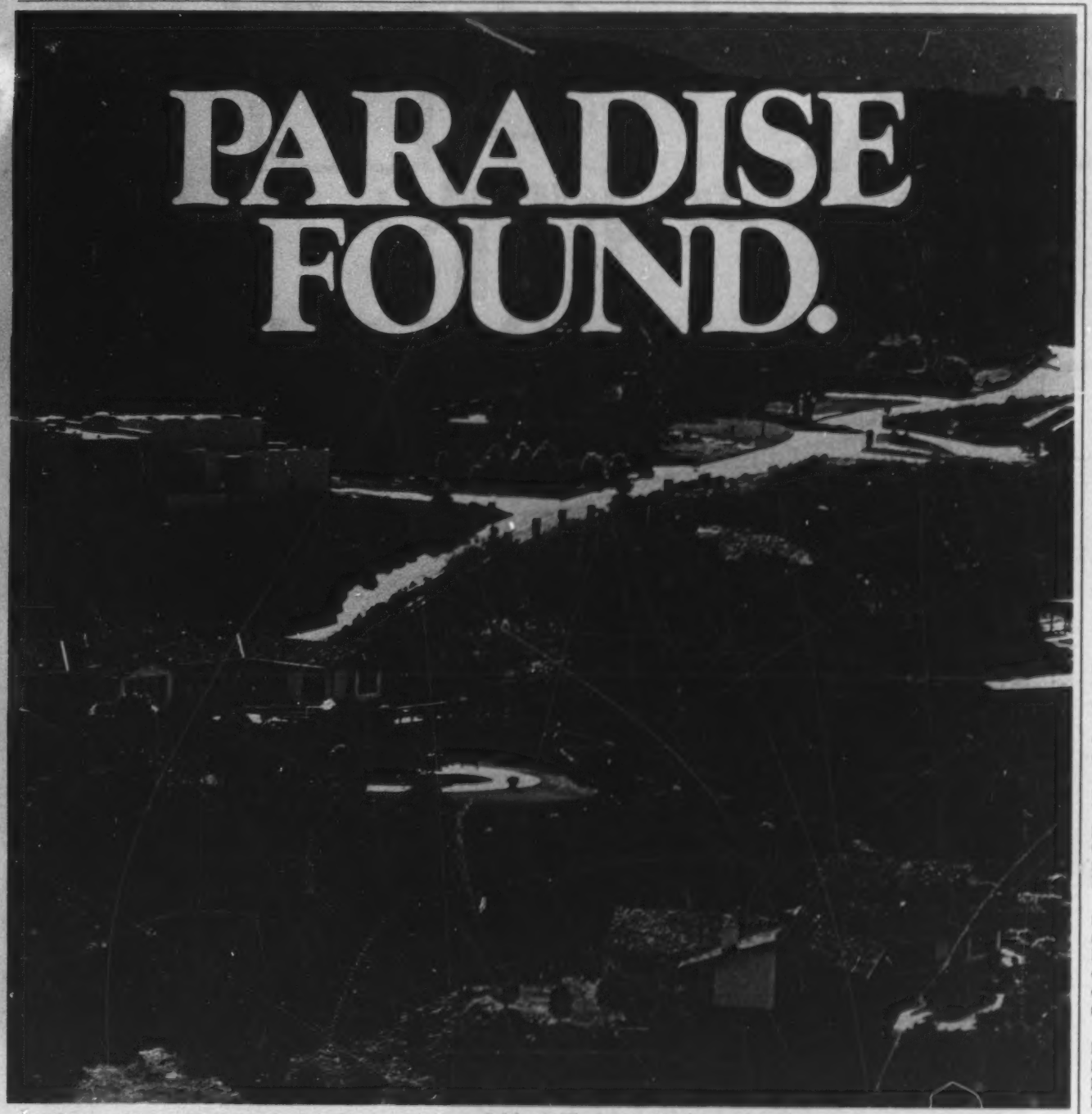
"We know from research that more of our people run than play any other single sport. We also know a high percentage of owners are into horses from the ownership side," Mr. Owens says.

So Mercedes-Benz participates in the American Grandprix Assn.'s horse jumping competitions. Mercedes-Benz is a presenting sponsor in the Mercedes Grandprix Circuit, awarding a car to the top rider and horse owner.

Mercedes-Benz was the sole automotive sponsor for the New York Marathon in 1984 and is in the same position for 1985. College basketball also attracts its tv dollars. Magazine spending equals tv expenditures because Mr. Owens believes it takes long copy to get the message across.

Mercedes-Benz used radio to launch the roadside service program, which provides just that to stricken Mercedes. "So far that program has been enor-

(Continued on Page 24)



Santa Clara County holds the richest 1.4 million consumers in Northern California.

Fifty miles south of San Francisco lies a marketer's dream, the San Jose PMSA (Santa Clara County). Its 1.4 million residents live in the center of what may be the largest concentration of New Money in America, money from high technology.

The average Santa Clara household earns the richest EBI of any metro area in Northern California. That's $33,780 of spendable income per household[2].

Last year, Santa Clara County residents spent over $9 billion among their local retailers with remarkable amounts concentrated in the medium and high priced lines[3].

The only way to reach this seller's paradise effectively is with the Mercury News. The Mercury News reaches Metro San Jose's New Money—52% daily, 5-issue reach 65%. The San Francisco Chronicle/Examiner barely reaches 9% on a good day[4].

So if you're looking for sales, look for the people with money to spend. California's New Money is in the San Jose PMSA (Santa Clara County). That's why the Mercury News produces such heavenly results.

THE SAN JOSE MERCURY NEWS

Reaching Northern California's richest million people!

[1]Based on median household EBI, California Metro Markets. [2][3]Sales and Marketing Management Survey of Buying Power 1984. [4]San Jose "Continuing Market Study" 1983, Belden. Represented by KNIGHT-RIDDER NEWSPAPER SALES.

Soft

(Continued from Page 22)

mously successful. People say that's what they would expect Mercedes-Benz to do," Mr. Owens says.

Cadillac has been using horses of only a slightly different color. It sponsors polo. "It helps create awareness," says Frank Cadicamo, director-merchandising, of the sponsorship. The Seville is the official car of Palm Beach Polo.

BMW sponsors polo and tennis matches and is "embarking on cultural events like ballet that are geared to upmarket people," Mr. Riedel says. "We sponsored the first airing on cable [Arts & Entertainment network] of the finding of an undiscovered Mozart symphony."

Tv is mostly limited to news and events like tennis. BMW, through Bozell & Jacobs, New York, is interested in perpetuating its image through targeted efforts, such as direct mail.

But the targeting isn't limited to direct mail. BMW and Jaguar buy spots on a Dallas tv station because the station convinced them that tv, despite its wide appeal, could deliver upscale viewers.

WFAA-TV, serving Dallas-Fort Worth, developed what it calls a Lifestyle Locater to zero in on demographic groups using PRIZM, a method of defining consumer life styles created by the Claritas Corp.; A.C. Nielsen Co. ratings, and data from the Simmons Market Research Bureau, Media Market Research and R.L. Polk & Co., which provides information on car registrations.

"We use the Polk data to analyze and profile the affluent car customer against the PRIZM life-style groups," says Terry Pittman, director-research and marketing for WFAA-TV.

"The 10 p.m. news is the real key. News programs are excellent vehicles for targeting to the affluent," Mr. Pittman says. "The Dallas-Fort Worth area has more of those type of life styles than most markets. We have a 9% greater concentration of households earning over $25,000; we're younger with 75% of adults in the key 18-to-54 age group and better educated—half either graduated from college or attended," Mr. Pittman says, making comparisons with the whole nation.

"Our late news delivers more than twice the number of affluentials [the combination of four PRIZM clusters: Money and brains, furs and station wagons, pools and patios, young influentials] than do the other network affiliates here," Mr. Pittman says. WFAA is an ABC affiliate.

"Our mission here is to explain how tv can be used to target. Doing it on a cost per rating point overlooks the subtleties of the market when you want to reach upscale," he says.

To attract the upscale market, quality of product is paramount for luxury car marketers. "You need to reek of quality and not just in the car," says Michael Dale, vp-sales and service for Jaguar Cars Inc., Leonia, N.J.

He speaks from experience. Quality was Jaguar's Achilles' heel. "We've gone from sales of 3,000 in 1981 to a record 20,000 in the last calendar year. It took 13 months—a year's lag—between the establishment of quality and its perception," Mr. Dale says.

Jaguar used a quality tracking system to accelerate the process. Long telephone conversations were held with customers 45 days, 8 months, 18 months and 32 months after purchase.

"Every time there was a complaint we pushed it back through the field and got service managers to call and cure the complaint," he says. "Very quickly the cocktail circuit was talking about how well Jaguar owners were looked after. We reversed the cocktail conversation that you need two Jaguars—one for the road and one for the shop.

"The market is responsive to doing things right. Promotional efforts are not really the secret of selling high-price car lines; you have to take the long view and satisfy the customer."

1983 new German luxury car registrations

FEB — IL 83

Sample market	% of all new 1983 car registrations
New York	12.24
Los Angeles-Palm Springs	10.68
San Francisco-Oakland	6.13
Dallas-Fort Worth	3.55
Washington, D.C.	3.44
Houston	3.26
Miami-Ft. Lauderdale	3.06

Source: Claritas I.P and R.L Polk & Co.

How to get inside the homes of the very rich.

No other leading market in America has such a concentration of affluence as metropolitan Washington, D.C. It leads the top ten SMSAs with an average household income of more than $37,000.

Washington also has the highest proportion of college graduates, high-tech people, lawyers, working women—and one of the higher percentages of 25-49 year olds. It's exactly the young, affluent market you're trying to reach.

And from so many upwardly mobile people comes new potential. Washingtonians have the greatest potential to travel more places. Buy more stocks. And use their credit cards more than any other top ten market.

Yet, although Washington leads in so many things, there is one area in which it's well below the average.

Television viewing. Washington's prime time ratings are 16% below the U.S. average.

Instead, the most affluent, educated major market *reads*. And this market reads The Washington Post. Every day, we reach 74% of all Washington adults with household incomes of $75,000 or more.

So, if you want to get inside the homes of those who spend their time spending, you should get inside The Post.

The Washington Post

Represented nationally by Sawyer-Ferguson-Walker. Sources: U.S. Government Agencies, Scarborough Report 1983, SMRB/PRIZM, S&MM, MRI.

Toasting wealth with sparkling wines

By Len Strazewski

"My God! I'm drinking stars!" With this exclamation, legendary French monk Dom Perignon allegedly discovered the process by which champagne is made.

He probably didn't know that it wasn't only wine he was making, but also a life style for the rich and famous—and aspirants.

Today, Dom Perignon is recognized as the name of the most famous of prestige sparkling wines made in the tiny Champagne area in the north of France and a cousin to such other prizes as Cristal, Fleur de Champagne, Comtes de Champagne and Cordon Rouge.

The American market has learned these names so well that champagne sales have increased more than 30% in each of the past two years, jumping from 7 million cases in 1982 to about 9.7 million in 1983 and 12.8 million cases last year.

Len Strazewski is Features/Special Report wine expert and associate editor.

Image and price are spurring the growth, says Marvin R. Shanken of M. Shanken Communications, New York. The prestigious image of champagne always has been attractive to the affluent, and the strength of the U.S. dollar abroad has put the highest quality products within the reach of a larger market.

Marketers of Maxim's de Paris hope the name will attract the affluent.

"Sparkling wines are a major growth area," says Mr. Shanken, editor and publisher of New York-based *Market Watch* and *Impact*, publications for wine marketers and the *Wine Spectator*, a newspaper for sophisticated wine consumers. "Sparkling wine has grown faster than any other wine category except wine coolers."

In 1980, sparkling wine shipments in the U.S. totaled 30.1 million gals. and by 1983 had increased to 43.6 million gals., a jump of 45%. For the first nine months of 1984, sparkling wine shipments were up 4.9% over the similar period a year earlier, says Frank Walters, director-research for M. Shanken Communications. Unpublished full-year results indicate substantially more growth, he says.

"We've never had to advertise Dom Perignon," says Clint Rodenberg, vp-group product director at Schieffelin & Co., New York, importer of Moet & Chandon champagnes, including top-of-the-line Dom Perignon. "The market built slowly over many years and we sell on allocation all we can import.

"Dom Perignon has come to be synonymous with the ultimate in luxury. James Bond drank it in movies. Elizabeth Taylor, when she was drinking, drank it exclusively. It became known as the drink of royalty," Mr. Rodenberg says.

Those aspiring to the ultimate luxury status sought out the product, which for many years held a retail price point of about $50.

However, the strength of the U.S. dollar has dropped Dom Perignon to as low as $39 in some areas, but that hasn't hurt sales. Moet & Chandon retains its place as the biggest champagne seller in the U.S. with 375,000 cases in 1984, up 21% from the previous year and up an average of 16% a year since 1979.

Moet does actively promote products other than Dom Perignon, spending about $1 million in spot tv advertising and $1 million in pr. Cunningham & Walsh, New York, manages the advertising.

The next largest champagne label in the U.S. is Mumm, marketed by Seagram Classic Wine Co., New York. For many years, Mumm's vintage and nonvintage Cordon Rouge, named after the French Legion of Honor medal, has been the label's hallmark, priced from $15 to $30 a bottle. If Dom Perignon was the wine a maven drank as a dinner aperitif, Cordon Rouge was what one drank for a seaside lunch at the Cote D'Azur.

"Because of Dom Perignon, we and other high quality champagnes were able to get on the wine list," says John Agate, Seagram's senior product manager. "Then it was up to us to create our own business with aggressive marketing."

The Mumm label has done well, selling 175,000 cases in the U.S. last year, up 17% from 1983, according to Shanken's Mr. Walters. The label has grown so strong that Mumm is taking on Dom Perignon directly this year with a prestige champagne, Renee Lalou, priced comparably. Only about 700 cases will be available for U.S. consumption this year, compared with several thousand cases of the competition.

Seagram's advertises the Mumm's label in publications such as *Architectural Digest*, *Smithsonian* and *Town & Country*. Doyle Dane Bernbach manages the $500,000 ad budget.

Behind these big two champagne sellers are three other competitors, each less than half the size of Mumm and less than one fourth the size of Moet & Chandon.

Final case figures for 1984 are as yet unavailable from M. Shanken Communications, but Mr. Walters places Piper-Heidsieck, marketed by Renfield Importers, New York, as third largest and Perrier-Jouet, marketed by Seagram Chateau & Estate Wines Co., New York, and Taittinger, marketed by Kobrand Co., New York, in "a virtual horse race," for fourth.

Another famous name, Roeder's prestige Cristal, is imported by several companies, but in very small amounts.

Piper-Heidsieck markets three vintage and nonvintage bruts in the U.S. in the $15-to-$30 price range and a very limited prestige champagne, Piper Rare.

Piper-Heidsieck also operates a joint venture with Sonoma Vineyards, Sonoma, Cal., to make two Piper-Sonoma sparkling wines that compete with U.S. sparkling wines such as Domaine Chandon.

Renfield is promoting labels during the 200th anniversary of the winery this year with personal appearances by the winery's founding family and sponsorship of equestrian events around the country. A small print ad budget earmarked for upscale publications, such as *Town & Country*, is managed by Brain Reserve, New York.

Perrier-Jouet also targets affluent publications, with William Esty, New York, managing a $500,000 ad budget, Seagram vp-marketing, John Laird says.

Known for its enameled floral design on the bottle, Fleur de Champaign undersells Dom Perignon by a few dollars and is also available in gift sets with enameled champagne glasses.

Sales were up about 20% to about 50,000 cases for all Perrier-Jouet champagnes in 1984, Mr. Laird says.

Closing in on the leaders with sales of nearly 50,000 cases is Kobrand's Taittinger label. Like Moet & Chandon, Taittinger has carved out a prestige reputation with Comtes de Champagne, which wine critics rank with Dom Perignon.

A rose Comtes de Champagne is also available in limted quantities, usually priced about $55. The rose is developing a strong following among wealthy champagne drinkers who continue in their search for another distinctive wine, senior vp-marketing Richard Shriner says.

(Continued on Page 38)

"Why I read the Herald Examiner."

Jean Craig

JEAN CRAIG/PRESIDENT and CREATIVE DIRECTOR
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LOS ANGELES HERALD EXAMINER

L.A.'s most readable morning newspaper

Sparkling

(Continued from Page 30)

The Comtes de Champagne and other Taittinger wines, which include the usual secondtier price ranges of about $10 to $30 a bottle, are advertised in upscale publications such as *Bon Appetit, Institutional Investor, Town & Country* and *Travel & Leisure*. Jordan, Case, McGrath, New York, manages an undisclosed ad budget.

The premium French champagnes, however, do not have a stranglehold on affluent consumers and aspirants. From the low end of the price spectrum, $4 to $8, Italian asti wines under the Fontana Candida, Gancia and Martini & Rossi labels and Spanish sparkling wines such as Freixnet, Cordiniu and Paul Chaneau compete for everyday consumption.

At the low to medium price points, the champagnes also are getting competitive pressure from nonchampagne French sparkling wines from the Loire Valley and other wine regions.

New this year, for example, is Maxim's de Paris, a Loire Valley product, marketed by Dreyfus, Ashby & Co., New York.

Dreyfus, which has an exclusive license to the name of the famous Parisian restaurant for wine, hopes an affluent and aspirant market will respond to the name and the price point of about $7, marketing director Steve Sarle says.

The strongest competition for the affluent market comes from California wineries, some of which, such as Domaine Chandon and Piper-Sonoma, are owned or partly owned by French companies. But there is some strong competition from U.S.-owned wineries, too.

One of the several California wineries attempting to compete with French champagnes and their U.S. clones is Chateau St. Jean, Kenwood, Cal. Chateau St. Jean introduced two 1980 vintage sparkling wines in 1983.

In the first year, the wine sold a modest 12,000 cases at $13 a bottle, according to winery president Allan Hemphill, but last year the 1981 vintage sold about 21,000 cases.

Chateau St. Jean sparkling wine is distributed nationally, but the winery is emphasizing promotion and distribution in "neglected" urban markets, Mr. Hemphill says.

"There are so many competeing products in New York, Los Angeles and Chicago, that the reception for a relatively new label is generally unenthusiastic. But there are many important urban markets such as Minneapolis and Tampa-St. Petersburg that have been neglected by wine marketers and are very open to trying new products."

Chateau St. Jean does not advertise the sparkling wines, but it actively promotes products with special tastings held in remodeled rail cars, which the winery takes to new markets. The rail cars were rebuilt at a cost of about $100,000.

Another relatively new competitor among California sparking wines is Sebastiani Vineyards Brut Three Star. The Sonoma, Cal.-based winery introduced the wine in 1982, shipping "several thousand" cases to local consumers. Since then, sales have increased an average of 60% a year, according to director-marketing William T. Harper IV.

Sebastiani advertises its Three-Star Brut in prestige publications such as *Bon Appetit, Food & Wine, Gourmet, Metropolitan Home* and *Smithsonian*.

The market for the sparkler tends to be somewhat affluent. "This isn't the kind of wine sold to a general audience in supermarkets. At our price [$12 a bottle], the average consumer would pass it up for something cheaper," Mr. Harper says.

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Dressing up an image

What catches the eye of the affluent buyer?

That's the question Blau/Bishop Ltd., Chicago, asked as it set out last year to design packaging for two new imported sparkling wines aimed at competing with French nonvintage champagnes and top-end California sparklers.

"The champagne product category appeals to an affluent market, and if you want to compete in that market, you've got to give the feeling of richness," says Meredith Blau, senior vp, Blau/Bishop. "The packaging must clearly express that the product is in a separate category —a category that is affluent and tasteful."

Blau/Bishop's assignment covered two sparkling wines imported and distributed by Crosse & Blackwell Vintage Cellars, San Francisco. Both wines were part of a well known and respected, though not particularly upscale, line of table wines.

Fontana Candida Brut is an Italian sparkling wine made in Alba, by one of the largest makers of frascati, a dry and crisp table wine that is a dinner standard in Italian restaurants in the U.S. and Europe.

The sparkling wine is aimed at an affluent market and priced at $9 a bottle—about twice the price of the table wine. C&B predicts sales of 20,000 cases this year.

The design problem, according to Ms. Blau, was maintaining the product line continuity while distinguishing the product for an affluent market. The redesign answer was practically a reverse of the label's black-on-white label.

"We chose a very sophisticated gold on black design—a very serious and rich statement about the product," she says.

Blau/Bishop used black and gold on labels to convey the feeling of richness.

"Gold, of course, always conveys richness, and the black clearly distinguishes the label from the table wines."

To keep within the line continuity, designers retained the red winery seal that appears on all Fontana Candida products. The seal fit nicely with the new color scheme, Ms. Blau says.

Gold also fits the demands of the other wine design project for Crosse & Blackwell—a new French sparkling wine under the French Rabbit label that of which the company predict it will sell 50,000 cases this year.

Blau/Bishop was instrumental in the 1984 introduction of the line, devising the distinctive name and the contemporary abstract label of the two French Rabbit table wines.

With a mandate to design a wine line that would penetrate the volume-price ($6 a bottle) import wine market, Blau/Bishop chose an "American cognitive," the rabbit, as the primary symbol for the wine to convey a casual and inexpensive position of the product. The addition of "French" as a modifier clearly identified the imported character of the product.

"The name conveyed all the feeling we wanted, it identified the imported character and had the added benefit of being easy to pronounce—which underlines the accessibility of the wine," Ms. Blau says. The designers further emphasized the youthful and casual appeal of the product with a contemporary, almost abstract rabbit label and a very modern script logo. Red graphic highlights identified the red table wine and green graphics identified the deep-straw colored white wine.

In modifying the label for the sparkling wine, Blau/Bishop again emphasized the richness of the product with gold against a white backdrop and black type. Fontana Candida and French Rabbit lines are supported by regional radio and tv spots produced by Allen & Dorwood, San Francisco. —*L.S.*

PEOPLE PATTERNS

Researchers, businesses strike gold with data

By PETER FRANCESE

When I moved to Ithaca, N.Y., (population 28,000) 20 years ago, there were no suburban shopping malls and no fast food restaurants. The first mall developer didn't need any data to tell him this was a good market. His big parking lots were full from opening day.

The first McDonald's restaurant opened shortly thereafter and required help from the police to control the crowds.

The police no longer are required and the big crowds are gone from both places because now there are six suburban centers, a downtown shopping mall, three McDonald's restaurants and about a dozen other similar eating places. The story of intense retail development during the past two decades can be told in every town of 25,000 or more inhabitants across this nation.

Twenty years ago, the U.S. population was growing almost everywhere, and there were lots of untapped markets. Today, a number of major states and metropolitan areas have little or no population growth and most communities are saturated with malls and restaurants.

To be successful in the retail or restaurant businesses today it takes research and lots and lots of data. This is because it is now much cheaper to buy data than risk a failure.

In 1965, a detailed demographic report for a proposed shopping center cost at least a couple of thousand dollars. Then the data from the 1970 census came out in computer-readable market reports, costing about $50 each.

Market research data simply had become too cheap not to use. So most developers began using it, bankers began demanding it, and an industry that processed census data into reports for potential retail or restaurant sites had been born.

In 1975 there were perhaps five small companies providing about $5 million worth of data on population and housing for many market research purposes. When the 1980 census was taken, this industry had more than tripled in size, with 15 to 20 companies selling data for an estimated $17 million. This year, about 45 companies say they are in the data business; it is estimated they will gross about $35 million.

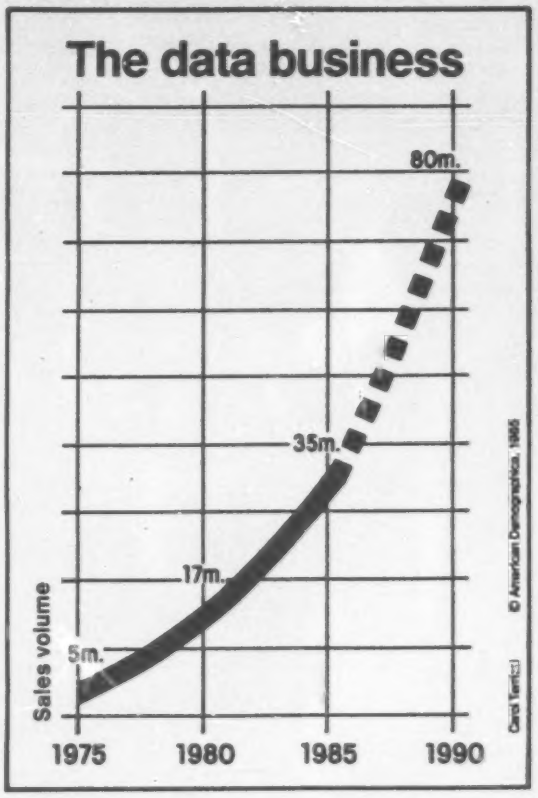
Considering the high risk in starting almost any kind of consumer business and the difficulty in maintaining the growth of an existing one, it is no surprise that the market-research industry is flourishing.

Not to use consumer market data in business planning today is to invite disaster; there are enough empty and half-empty shopping centers and boarded-up stores around as reminders of that.

Peter Francese is publisher of American Demographics.

Given the high demand for such products and services, it would not be surprising to see the consumer data business become an $80 million to $100 million industry by 1990.

A few big companies with substantial marketing expertise have entered the business, and some of the smaller companies have been bought by foreign investors eager to get in early at the high-growth stage.



There already have been a few business failures and near-failures by people who did not understand how to market data.

But there still is immense opportunity and growth potential in the business of providing people with statistics that they can use to increase their success and profits in providing consumer products and services.

Of course, some of today's most valuable data sources are virtually free for the asking.

Some semiliterate prospector in 1849 was supposed to have said, "There's gold in them thar hills." If he were alive today, he might say, "There's more gold in this here book than in them thar hills," in reference to the 105th edition of the "Statistical Abstract of the United States."

Compiled and published by the Bureau of the Census, this fact-filled publication has nearly 1,000 pages of data on American social, economic and political trends.

This 1985 edition's 119 new tabulations give us some fresh trend data on such diverse topics as the number of lawyers (more than 500,000 and growing about five times faster than the population), the trends in church attendance (up slightly), the use of individual retirement accounts (highest among people aged 45 to 64), the number of robots (more than 50,000 worldwide), alcohol consumption (one-third of us claim that we abstain) and membership in Health Maintenance Organizations (more than 12 million, double the number six years earlier).

One important fact that cannot be found anywhere in this book is its price. For the 2 lbs., 4 ozs. of abstracted statistics, the U.S. Government Printing Office charges $19 for paperback and $23 for the hardbound edition. Virtually all libraries have a copy, but if you want your own and have a credit card you can dial 202-783-3238 and order one by phone.

Unless you are naturally fascinated with facts you might ask why this book is so valuable. We have been told often enough that this is the information age, so the data in this book are coin of the realm.

Many of the tables also have a demographic component such as age or income that gives us clues as to how that activity will change as the population gets older or wealthier.

Reference books, like people, usually have an appendix, but this book has five of them. One is a 40-page guide to other sources of data, including where to get statistical abstracts for each of the 50 states. Another appendix ranks states according to many different demographic and economic indicators.

There is no copyright on this book. Almost all of its data tables can be copied freely in any form. In the past, enterprising publishers have photocopied the entire thing and sold it in bookstores with a slightly different cover. Yet this immense collection of statistics has never been put into any computer-readable form.

This 105th "Statistical Abstract" no doubt will sell more copies than any previous edition because of our growing appetite for data about people and how we live. An industry now has emerged that serves our desire for that data.

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Parting Shot / BY RANCE CRAIN

New logo will solve P&G rumor trouble

What does poor Procter & Gamble have to do to shake a rumor?

P&G, of course, is the Cincinnati-based company best known for soaps and detergents, and, as we all know, cleanliness is next to godliness. And P&G has been unsparing in its support of such religion-oriented tv miniseries as "Jesus of Nazareth," "Peter and Paul" and, most recently, "A.D."

But still, the rumor refuses to die that P&G is linked, through its man-in-the-moon logo, with Satan. Actually, the rumor has to do with the way the stars in the logo—the ones the man in the moon is reaching for—are said to form three sixes (a biblical reference to Satan) when they are connected.

By mid-1982, when the rumors were drawing some 12,000 calls a month to P&G headquarters, the company launched a vigorous, highly publicized campaign—involving endorsements by Jerry Falwell and lawsuits against rumor propagators when they were found—to squelch the devilish problem.

I was inclined to believe that P&G's efforts would help spread the rumor. I thought the company would be better off taking a devil-may-care attitude about the whole thing instead of giving the rumors national publicity. A survey Advertising Age took at the time seemed to verify that line of thinking. So Ad Age suggested in an editorial that P&G made a big mistake by publicizing the rumor. We said it would have run its course if the company had laid low.

Most companies that are the targets of such rumormongering don't call attention to themselves. When McDonald's Corp., for instance, was the subject of whispers that its hamburgers had worms in them, McDonald's dispatched representatives to local community groups to put down the rumor. But the reps didn't put anything in writing, and they certainly didn't go on tv.

P&G has decided to remove its logo from packages. But the question that keeps occurring to me is why P&G persists in using its out-of-date logo at all?

P&G normally is pretty tight-lipped about its operations, so the world doesn't really know why the company chose the approach it took. Some speculate that chairman John Smale, who was then newly in place and considered by some to have injected a new aggressiveness into the place, wanted it that way. Others point out that the rumors surfaced at a time when P&G was attempting to boost consumer identification of its corporate name for new product introductions ("new" from Procter & Gamble).

At any rate, it's safe to say the company's tactics haven't worked. The Satan rumor has surfaced again, this time in the Big Apple and environs. This time around, though, the company is trying to exorcise the problem on a regional basis rather than beaming its publicity across the nation.

P&G has decided to remove its logo from packages. But the question that keeps occurring to me is why P&G persists in using its out-of-date logo at all? Wouldn't it be the better part of valor for P&G to say a design consultant recommended that Procter adopt a new corporate symbol, using the stylized P&G letters? I'll bet not one person out of ten can identify the man in the moon reaching for the stars as the P&G logo now, so the company's argument that it has poured millions of dollars into promoting it doesn't wash.

I realize that those intent on spreading the rumor probably would seize on P&G's move and say that the devil is just going undercover. Or the logo change could be considered capitulation to the purveyors of the rumors.

But all that soon would be forgotten. P&G's spiffy new logo would conjure up better brand identification, and that sure beats the hell out of the company's present dilemma.